

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Special Meeting
Joint Meeting with Technical Advisory Committee

June 10, 2003
4:00 p.m.

Meydenbauer Center
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Degginger¹, and Councilmembers Creighton, Davidson, Lee, Mosher², and Noble

ABSENT: None.

New City Building Technical Advisory Committee:

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|--------------------------|------------------------------|
| Shiv Batra | Douglas Leigh |
| Richard Campbell | Mark Ludtka (Absent) |
| Barton Drake | Court Olson |
| Ali Ghassemikia (Absent) | Charlotte Patterson (Absent) |
| Susan Ho | Laurie Tish |
| | Clay Wallace |

1. Call to Order

Mayor Marshall called the meeting to order at 4:15 p.m. She thanked Technical Advisory Committee (TAC) members, all Bellevue residents, for their time, expertise, and analysis. Mrs. Marshall thanked staff for their support of the TAC and work on the project.

City Manager Steve Sarkozy thanked TAC members for their participation in numerous meetings, many of which he also attended, to aid in this important decision for the City. He expressed appreciation for the TAC's cost-conscious focus on options to redevelop the building for the City's use.

Planning and Community Development Director Matt Terry reviewed the project schedule and noted the City began talking about the Qwest building almost one year ago. The first key Council action since the purchase of the building was direction provided in March that all current City Hall campus functions should be relocated to the new building. Tonight the TAC will

¹ Mr. Degginger arrived at 6:02 p.m.

² Mr. Mosher arrived at 4:35 p.m.

present its recommendations regarding the project's scope and budget, which is the focus of Council's second major decision point. Schematic design will be completed by this fall followed by the third decision point to confirm the project scope and design budget. Construction documents will then be prepared and the final decision point will be to establish a maximum contract cost in spring 2004.

Mr. Sarkozy explained that staff's role with the TAC was to provide information. The consultants framed many of the technical and design issues, and TAC members engaged in their own discussions about project elements. Mr. Sarkozy commended TAC members for their valuable contribution to the overall decision-making process.

Mr. Drake described the TAC's early discussions about building occupancy and the more recent discussions about specific program elements. Three development schemes, representing varying cost levels, were reviewed by the TAC. All three schemes shared seven constant items considered necessary for the adaptive reuse of the building. Four categories of variable components were studied and discussed extensively to reach consensus on the final package of recommendations.

Mr. Olson commented that the design team presented numerous concepts and preliminary cost estimates to the TAC. He noted that his firm evaluates design and construction costs, and estimates by the design team appear reasonable to him and TAC members. TAC members encourage value engineering analysis of project elements to refine estimates and potentially identify cost savings.

2. Overview of Three Development Schemes

Rick Zieve, SRG Partnership, reviewed the variable components of the three development schemes initially presented for discussion with the TAC. Scheme 1, the highest cost option, included:

- Full three-story lobby concourse and new Council Chambers.
- Replacing an existing stair with a new exit stair for the full length of the building.
- Opening up all three sides of the computer floors with windows, providing a broad opening to the lobby concourse, and adding new exterior wall finish to this block of floors.
- New thermal buffer and exterior skin for the main building, new clear glass in existing windows, and louvers on the north side of the building.
- Full development of a plaza on the northwest corner of the site and new landscaping throughout the site, gateway treatment on the southeast corner of the site, and green roofs on upper and lower roofs.

Scheme 2 included:

- Shorter lobby concourse and new Council Chambers.
- New stair through lower floors only.
- Opening up two sides of the computer floors with windows.

- New exterior skin for the main building but existing dark glass would be retained.
- Northwest plaza would be similar to Scheme 1 but remaining site development would be minimal.

Scheme 3 included:

- No lobby concourse, no new Council Chambers.
- Retain existing stair.
- Opening up of the computer floors would be minimal.
- All exterior surfaces would be retained and painted.
- A minimal northwest plaza would be developed but no further site development work would be completed on the rest of the building site.

Mr. Zieve noted a \$20 million cost range between the high and low schemes.

3. TAC Recommendation of Project Elements

Dennis Forsyth, SRG Partnership, reviewed the broad categories of constant cost items necessary under any redevelopment scheme: 1) seismic upgrades, 2) new structured parking, 3) tenant improvements, and 4) mechanical, electrical, and plumbing upgrades.

John Hooper, structural/seismic consultant, explained that the building was designed according to the 1976 Uniform Building Code and it is not considered safe for a major earthquake. Since the building will be housing Public Safety functions, he advised the building must perform at the immediate occupancy level, which is a higher level than life safety. Mr. Hooper said TAC members challenged the consultants and suggested seismic upgrades to the Public Safety portions of the building only. However, partial seismic upgrades would be almost as expensive as the full treatment and the building would not perform nearly as well. The cost estimate for the seismic upgrades is \$11.9 million. The TAC strongly encourages a value engineering analysis for this component.

Mr. Forsyth described plans for new structured parking on the northwest corner of the site, under the public plaza leading to the Transit Center and Pedestrian Corridor. The estimated cost for new parking is \$9.7 million. Mr. Olson said TAC members preferred this alternative from a pedestrian and design perspective. The parking garage provides convenient building access for vehicles as well.

Mr. Forsyth described needed Public Safety upgrades including an elevator, public service counters, prisoner transfer and holding areas, and specialized tenant improvements including those for the 911 Communications Center. The estimated cost for Public Safety upgrades is \$1.2 million, and the cost of Public Safety tenant improvements is estimated at \$11.9 million.

Mr. Forsyth reviewed remaining constant cost items as follows:

- Public Space tenant improvements – Estimated cost of \$3.5 million.
- General Government tenant improvements – Estimated cost of \$7.6 million.

- Mechanical/Electrical/Plumbing upgrades – Estimated cost of \$3.1 million.

Mr. Drake described how the TAC looked at long-term operations and maintenance costs throughout all of its discussions. O&M costs helped to demonstrate early in the process that it made more sense to co-locate all City Hall campus functions into one facility. TAC members also concluded that one location will provide the best customer service to the public. Mr. Drake said TAC members reached agreement on the constant items more readily than the variable items. The total estimated cost for constant items is \$49 million.

Responding to Councilmember Noble, Mr. Forsyth explained that the cost of public space tenant improvements is due to the need to convert computer rooms into usable office space.

Responding to Councilmember Lee, Mr. Forsyth explained the specialized facilities and equipment needed for the City's public safety functions.

TAC members discussed the variable cost items and the TAC's recommendations for each component:

1. Lobby concourse/Council Chambers/Revised exit stair – Mr. Leigh said TAC members strongly support the need for a new Council Chambers. TAC members extensively discussed the appropriate level of lobby concourse development including the length of the concourse and its connection to Council Chambers. They are in favor of a new stair for daily use by staff, which will also provide the opportunity to open up the lobby.

Responding to Mayor Marshall, Mr. Zieve said the lobby concourse provides adequate room for Council Chambers overflow seating, possibly removable seating. He noted the plan for additional nearby public meeting rooms as well.

Mr. Wallace said the addition of a new Council Chambers provides the opportunity for a signature design element on the outside of the building. Mt. Rainer will be visible from the Chambers area.

Councilmember Noble expressed concern about the energy requirements for large public spaces. Mr. Forsyth said one of the project's consultants is expert at creating energy efficient spaces. Councilmember Lee expressed support for the objective to turn the building into a friendly and welcoming public facility.

2. Computer block floors – Ms. Ho explained that the TAC recommends opening up three sides of the computer floors, a wide opening to the lobby concourse, new exterior cladding for these floors, a new skylight, and a new communicating stair. TAC members feel that opening up the floors to natural light will benefit employee morale and productivity as well as the public image of the building.
3. Main building exterior walls – Mr. Wallace said the TAC recommends new metal skin, fixed exterior louvers to control glare, and new clear glass in all existing window frames. He explained new window technology utilizing clear glass for maximum natural light

while also reducing energy costs. TAC members discussed a proposal for a thermal buffer on the south façade, but this element is not included in their recommendation due to its cost.

Mr. Wallace noted the TAC's interest in a landscaping, rather than architectural, solution for the gateway treatment/garage screen at the NE 4th Street and 112th Avenue corner of the site because of the lower cost.

Responding to Mr. Mosher, Mr. Terry briefly described ongoing discussions with King County about the county-owned parcel adjacent to the City site. Plans for the county site are unknown at this time.

4. Site Development/Green Roofs/Gateway Corner (NE 4th Street & 112th Avenue) – Mr. Olson discussed the importance of the image and appearance of a City Hall/Civic Center and the desire to create a park-like experience. Options for site development ranged from minimal development of a northwest plaza, no green roofs, and no changes to existing landscaping to full plaza development, upper and lower green roofs, a prominent gateway treatment, and full new landscaping. The TAC's recommendation represents a combination of elements including full development of the northwest plaza, full development of the south landscape, green roofs on lower roofs only, and an appropriate gateway treatment. The gateway treatment also functions as a screen for the existing parking garage at this prominent corner.

Mayor Marshall is pleased that elements identified through the recent Downtown Implementation Plan Update including parks, open space, and water features could be provided at the new City building site.

Chris Phillips, landscape design consultant, discussed the value of creating a public plaza/civic space at the northwest corner of the site. This is an ideal location with its proximity to the Transit Center and the Pedestrian Corridor. He described the TAC's recommendation for a prominent gateway treatment at the southeast corner of the site incorporating a raised berm, landscaping, and potentially public art and/or a water feature. He noted that green roofs provide a visual amenity for occupants of upper floors of the building and adjacent buildings.

Mr. Olson said the TAC's recommendation includes funding for public art. Mr. Wallace noted the recommendation to provide green roofs only on lower levels as a cost-saving measure.

At 6:20 p.m., Mayor Marshall declared a break for dinner. The meeting resumed at 6:50 p.m.

4. Finance Plan Review

Joe Guinasso, Finance Assistant Director, reviewed the finance model for the TAC recommendation. The overall project cost for the TAC recommendation is \$102.5 million. Major components of the finance plan include initial interim borrowing through a bond anticipation note (BAN), a short-term note in the form of a line of credit in anticipation of issuing long-term bonds. The BAN would be issued for one year at an annual interest rate of

1.71 percent. The BAN will be retired with the issue of 40-year long-term general obligation (LTGO) bonds. The first issue is assumed to occur in October 2003 at an interest rate of 5 percent, and the second issue is slated for June 2004 at an interest rate of 5.25 percent.

Mr. Guinasso said revenue sources include land sale proceeds from the City Hall campus, reserves, and general Capital Investment Program (CIP) funding beginning in 2009. He reviewed a graph depicting General CIP Revenue Usage from 2010 through 2044.

Ms. Tish, TAC member and Director of Deloitte & Touche's Western Region Public Sector practice, commented that the finance plan is quite conservative and based on historical data. She noted the model does not take into account new sales tax revenue to be generated from the auto dealership wanting to purchase the current City Hall site. She feels the City has benefited from good timing in its purchase and financing of the building. Interest rates are very low for bonded debt for municipalities, which will result in significant cost savings. She encouraged Council to include as many items as possible in the redevelopment now because delay of any items will only result in higher future costs.

Responding to Deputy Mayor Degginger, Ms. Tish said the TAC started at zero and built up to the final recommendation totaling \$102.5 million. TAC members indicated they did not prioritize items but rather selected all features they believe are necessary to create the desired civic building. They view their recommendation as a package of essential elements.

TAC members reiterated their recommendation that value engineering analysis should be conducted, particularly for the seismic upgrades, to identify innovations and cost savings. Mr. Campbell said TAC members looked at long-term costs, not just initial costs, when considering project components.

Staff, TAC members, and the architects responded to additional questions of clarification regarding the TAC's recommendation. In closing, Mr. Drake summarized the TAC's interest in maintaining a certain level of quality using good, simple materials without being excessive or extravagant. Mr. Batra urged Council to expedite the process and to take advantage of low interest rates.

Mayor Marshall thanked TAC members and staff for their hard work on this project. The meeting was adjourned at 7:55 p.m.

Myrna L. Basich
City Clerk

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